



**Testimony for the House
Energy & Technology Committee
October 12, 2005
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Mr. Chairman and members of the Committee, thank you for the opportunity to submit testimony on House Bill 5237. My name is Melissa Trustman. I am Director of Government Relations with the Detroit Regional Chamber, an organization representing over 21,000 members and committed to powering the economy for Southeast Michigan.

Our membership covers all types and sizes of businesses. Within that group include major users and providers of various telecommunications related products. Over the past 12 months, our Telecommunications Policy Review Committee reviewed the existing Michigan Telecommunications Act and is now official policy of the Detroit Regional Chamber.

That policy emphasizes a regulatory structure that will allow for innovation in telecommunications products and competitive pricing. This will require a balanced approach to regulation that will not unfairly disadvantage one particular or type of provider. The Chamber recognizes the telecommunications market is changing quickly and our regulatory structure has to allow for the best applications of those changes.

We support the basic concepts of House Bill 5237. The updates to the Michigan Telecommunications Act focuses regulation on essential residential single phone lines and allows all other services to be regulated by consumers in the competitive marketplace. Additionally, 5237 provides much-needed protection against Universal Service Fund duplication.

While the bill is a step in the right direction, there are a couple of changes that would strengthen our support.

1. Amend the definition of essential phone service to reduce it to 50 calls from 200 as currently written in SB 754 (S-5). We would like to see security and predictability for seniors and families. Expanding the number of calls of the most basic service beyond the level it is set at in current law (50) would increase costs for this group. We believe this regulation has the potential to harm seniors and low-income families due to rate increases.

2. Provide language that will limit government interference with competition, but allow for operation and cooperation between municipalities. While governments should not leverage their advantages in the competitive marketplace, some recognition needs to be given to the local systems already in place. By amending language to Section 252 of the bill, we can protect private competition and save money to our citizens and local governments that have already invested in costly systems and infrastructure.

We urge you to implement the suggested changes and pass House Bill 5237. Please contact me mtrustman@detroitchamber.com regarding any questions. Thank you for your consideration.

Sincerely,

Melissa Trustman